

DEFENSE LOGISTICS AGENCY

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MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT DISTRICTS DCMC HQ STAFF

SUBJECT: DCMC Memorandum No. 96-83, FY 96 Benchmarking

This is an INFORMATION memorandum. It expires upon incorporation in the next DCMC Benchmarking Plan. Target audience: All DCMC Employees.

Fiscal Year (FY)1996 marked the official beginning of DCMC sponsored benchmarking efforts. I would like to share with you some general results. In the near future you will receive memorandums from the applicable DCMC HQ Contract Management Policy Directorate (AQO) teams outlining individual project results including best practices, lessons learned, and process insights.

As background, a total of seven projects were started in FY 96, six in the AQO area and one in the Defense Procurement Corporate Information Management (CIM) System Center (AQAC). All projects have been completed with the exception of the Program Integration project which was placed on hold prior to a benchmarked process being identified. These projects are: Pre-Delivery Surveillance; Contract Closeout; Contract Receipt and Review; Program Integration; Authorizing/Accepting Shipments; and Product and Manufacturing Assurance - Identify Customer Requirements/Identify Critical Processes/Risk Classify Critical Processes. The AQAC project is Distributed Computing, with a completion date of March 1997.

The benchmarking teams were led by the Districts and composed of field representatives from across the Command. Teams were responsible for understanding the current process, analyzing process performance data, and identifying DCMC field sites performing this process in the most effective and efficient manner. As a result of these efforts, the teams were to adopt a single site's process as the benchmark or adapt the best of several sites' processes into a new process. The teams were then expected to assess the viability of benchmarking with other organizations outside of DCMC. While several of the teams did some initial analysis of potential external benchmarking partners, no formal external benchmarking was done.

The teams identified several general keys of process performance success. These are: process focus and guidance; clearly defined process goals; measurement by results - tracking and monitoring process progress; consistent process application; customer requirement identification; internal and external communication; database accuracy; and process risk assessment.

One of the difficulties encountered by the teams was a lack of metrics. This absence of metrics inhibited the establishment of baselines from which performance improvements could be measured and clear process benchmarks established. The importance of having good process measures is something offices should keep in mind as they consider comparative analyses with other Contract Administration Offices.

Due to FY 97 budget constraints, future benchmarking efforts have been placed on hold. However, the DCMC HQ AQO teams' have been tasked with examining ways to take the processes beyond the teams internal benchmarking efforts and expand to external comparisons. Also, before beginning additional DCMC sponsored projects, a method for better management of benchmarking project selection and costs must be established. Ms. Stephanie Strohbeck AQOE, will be working this issue and welcomes all input.

Finally, I would like to thank the benchmarking team leads, team members, steering group and all the field personnel they contacted and/or visited. Your efforts demonstrated how well DCMC personnel pull together in a true teamwork fashion to find better ways to perform our mission.

JILL E. PETTIBONE

Executive Director

Contract Management Policy